



Individual differences in consumer information search for services: A multiple mediation study



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ABSTRACT

The study examines the role of individual differences in the information search behaviour of consumers for experience services. Structural equation modelling was used to analyse the quantitative data obtained from the 268 consumers selected for a cross-sectional survey in a major northern city of India. Results revealed that consumers' optimum stimulation levels are positively related to their self-confidence and motivation to search and subsequently have a significant indirect effect on their information search efforts. Consumer self-confidence and motivation to search mediate the relationship between the optimum stimulation level and search effort. The study offers insights into the role of consumers' individual differences in information search. Consumers engaged in variety-seeking behaviour are more confident in their decision making and search for abundant information before buying a service. Thus, marketers should attempt to provide extensive and varying information to such consumers.

1. Introduction

Information search is one of the major stages of the consumer decision-making process. When consumers recognise a need they search for information regarding the products or services that can satisfy the need. This information search can be internal or external: internal search occurs when consumers refer to their memory for information gathered over time (Leigh and Rethans, 1984), whereas external search occurs when consumers seek information from external sources. These external sources include advertisements, brochures, friends, and relatives. Researchers have extensively studied information search behaviour because of its importance in consumers' buying process (Maity et al., 2014).

The argument of perceived risk theory that services are riskier than goods has been the premise of many studies (Zeithaml, 1981; Murray, 1991). As perceived risk is positively related to the extent of information search, researchers have hypothesised that information search is elevated in the case of services. Some studies (Venkatraman and Dholakia, 1997; Mattila and Wirtz, 2002; Cooley and Madupu, 2009) have adopted the economics of information theory perspective (Nelson, 1970; Darbi and Karni, 1973) to explain the factors influencing information search. In service marketing, where co-creation and relationship are important constituents of the marketing process, an understanding of the role of personal characteristics will benefit the marketers of companies entering or competing to increase their market share.

Studies on information search in services have investigated the effects of variables such as perceived risk (Murray, 1991), product knowledge (Venkatraman and Dholakia, 1997; Mattila and Wirtz, 2002; Lin and Chen, 2006), number of service providers considered (Nasco and Hale, 2009), image of the country of origin (Lin and Chen, 2006), consumer involvement (Elliott, 1994; McColl-Kennedy, Fetter, 2001; Mortimer and Pressey, 2013), perceived cost and benefit of search (Venkatraman and Dholakia, 1997; Heaney et al., 1999), self-efficacy (Nasco et al., 2012), and demographic variables (Freiden and Goldsmith, 1989; Elliott, 1994; Soutar and McNeil, 1995). Mitra et al. (1999) and Mortimer and Pressey (2013) have used a search, experience, and credence framework to elucidate the differences in information search behaviour among services. Mitra et al. (1999) investigated the effects of product knowledge and perceived risk levels on preference for different information sources in the context of search, experience, and credence services. Mitra et al. (1999) and Mortimer and Pressey (2013) have recommended additional research in this area in different cultural settings.

Sharma et al. (2014) stated that consumers with high stimulation levels have different levels of perceived risk for different services. Similarly, consumers seeking variety and having confidence in their information search ability may consider searching more beneficial and may feel motivated to search for more information. The relationship between individual differences and information search, in the context of services, has been given less attention. Thus, studying the role of individual differences in consumers' information search behaviour for

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services is essential. This empirical study attempts to fill this research gap by examining the role of individual differences in information search behaviour of consumers for services. The study mainly investigates three individual factors—the optimum stimulation level, consumer self-confidence, and motivation to search—derived from the review of existing literature, and their influence on information search behaviour in the context of an experience service. Experience service is selected because it involves medium risk and high interest, compared with search and credence services, and therefore is more likely to be influenced by individual differences (Sharma et al., 2014; Mortimer and Pressey, 2013).

Moreover, there is dearth of research on information search behaviour in Indian context. Very few studies on this topic have been conducted in the Indian context and those that have been (Awasthy et al., 2012) are concerned with goods, not services, except (Mishra and Kumar, 2011, 2012). Awasthy et al. (2012) investigated the relationship between consumer knowledge and information search behaviour in context of two wheeler purchase. Mishra and Kumar (2011, 2012) investigated mainly the effect of knowledge types on information search behaviour in context of mutual fund purchase. There is no study in our knowledge which investigates the role of individual factors in information search behaviour in context of services in India. An understanding of information search behaviour is crucial in the context of emerging economies, such as that of India, for several reasons. First, Indian markets are dominated by unorganised service providers; consumer decision making becomes a complex task, particularly information search, because of a lack of standardisation and the presence of several service providers. This study will help in understanding the behaviour of Indian consumers. Second, such an understanding will facilitate the development of effective communication programmes and marketing strategies for both organised and unorganised service providers. Studying the relationship between information search and individual factors is imperative because these factors can be significant segmentation variables for marketers; hence, this study provides important theoretical and practical implications.

The paper is organised as follows: first the theoretical background and the major variables are discussed, followed by derivation of hypotheses. Second, the study methods are explained, followed by data analysis. Finally, the results, discussion, and theoretical and practical implications are presented.

2. Theoretical background

2.1. Information search

Information search behaviour is an extensively studied area in consumer research (Schmidt and Spreng, 1996; Mortimer and Pressey, 2013). Researchers have given substantial attention to information search behaviour of consumers because of its primacy in consumer decision making. Engel et al. (2000) developed a model in which information search is the second step after need recognition. In the information search stage, consumers obtain information from different sources to take the final purchase decision. Srinivasan and Ratchford (1991, p 235) defined information search as *'the effort aimed at acquiring information from the external environment'*. Several variables influence consumers' information search (Schmidt and Spreng, 1996; Heaney, Goldsmith Ronald, 1999). Schmidt and Spreng (1996) developed a conceptual model of external information search by combining information economics and psychological theories. The determinants of information search are classified into the ability and motivation to search and perceived benefits and cost of search. The factors influencing the amount of effort exerted by consumers for information search are classified into behavioural, personal, product/service, and situational (Beatty and Smith, 1987; Guo, 2001; Utkarsh and Medhavi, 2015).

Personal factors can substantially influence the search effort

exerted by consumers. Consumers with high self-confidence tend to spend more time in information searching (Loibl et al., 2009). Similarly, consumers with a strong desire to seek information spend more time in information searching (Punj and Staelin, 1983). Mortimer and Pressey (2013) reported that consumers' involvement with the service to be purchased influences their information search behaviour. The effort exerted by consumers is determined by the time spent in information searching and the variety of information sources referred to before taking a decision. In this study, information search is referred to as 'search effort', which mainly indicates the effort exerted by consumers in searching for information using multiple sources. As previously discussed, limited studies have focused on the information search behaviour of consumers who seek new experiences and willingly take risks to vary their experiences. Do they search for extensive information for decision making? Does their intent to seek new experiences influence their confidence level in their decision making? The role of individual differences in information searching has been given less attention, compared with that to behavioural and situational factors. An understanding of this relationship will assist marketers in understanding consumer behaviour. The literature on the proposed individual-level variables influencing information search behaviour is discussed in the next section.

2.2. Optimum stimulation level

Va'zquez-Carrasco and Foxall (2006) stated that individuals prefer a certain degree of stimulation at which they feel comfortable. If the environmental stimulation is not according to the desired level, they seek stimulation to maintain the desired level. Steenkamp and Baumgartner (1992) observed that consumers with a high optimum stimulation level exhibit more variety-seeking behaviour and are more likely to make risky choices than consumers with a low optimum stimulation level. Raju (1980) observed that consumers with a high optimum stimulation level are open minded, can deal with the ambiguities in the environment, and are more likely to experiment (Baumgartner and Steenkamp, 1996). Thus the optimum stimulation levels of consumers have implications for information search behaviour. Steenkamp and Burgess (2002) suggested that studies should test the application of the optimum stimulation level in the context of emerging economies, specifically in the context of information acquisition. Sharma et al. (2014) reported that consumers with a high optimum stimulation level have low perceived risk when buying services. The influence of the optimum stimulation level on information search effort remains unexplored in the context of services.

2.3. Consumer self-confidence

Self-confidence, defined as a *'person's ability to feel confident in typical social situation'* (Barber et al., 2009), is a psychological variable and considered an important construct influencing consumer behaviour (Locander and Hermann, 1979; Bishop and Barber, 2012). Locander and Hermann (1979) investigated the effects of three individual-level variables—namely, general self-confidence, specific self-confidence, and anxiety—on consumers' information seeking behaviour. General self-confidence is a personality variable, defined as the belief of individuals in their self-worth (Coopersmith, 1967). Specific self-confidence is individuals' belief in their perceived ability in unique situations; specific self-confidence has a significant effect on information seeking and consumers with high specific self-confidence search for more information. The role of consumer self-confidence in information search behaviour has been greatly emphasised (Barber et al., 2009; Loibl et al., 2009; Bishop and Barber, 2012). Bearden et al. (2001) defined consumer self-confidence as *'the extent to which an individual feels capable and assured with respect to his or her marketplace decisions and behaviours'*. In a seminal article, Bearden et al. (2001, p 123) emphasised that consumers' self-confidence levels

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